

I-195 REDEVELOPMENT DISTRICT

MEETING OF COMMISSION

PUBLIC SESSION

June 11, 2012

The I-195 Redevelopment District (the "District") Commission met on Monday, June 11, 2012, in Public Session, beginning at 5:00 p.m., at the offices of the Rhode Island Economic Development Corporation, located at 315 Iron Horse Way, Suite 101, Providence, Rhode Island, pursuant to notice of the meeting to all Commissioners, and public notice of the meeting, a copy of which is attached hereto, as required by applicable Rhode Island law.

The following Commissioners were present and participated throughout the meeting as indicated: Chairperson Colin Kane, Dr. Barrett Bready, Ms. Barbara Hunger, Ms. Diana Johnson, Mr. John Kelly, Mr. Mark Ryan, Mr. Michael Van Leesten and Mr. Bob Azar, designee of Mr. James Bennett (ex officio).

Commissioners absent were: Mr. William Parsons (ex officio).

Also present was: Mr. Robert I. Stolzman and Ms. Alexandra W. Pezzello.

Chairperson Kane called the meeting to order at 5:05 p.m.

1. **APPROVAL OF THE PUBLIC AND CLOSED SESSION MINUTES OF THE MEETING HELD ON MAY 14, 2012**

Chairperson Kane introduced and welcomed Mr. Robert Stolzman, of Adler Pollock & Sheehan P.C., who has been engaged as legal counsel to the District. Chairperson Kane commended the District's out-going counsel, Ms. Pezzello and Partridge Snow & Hahn LLP, and thanked her for their assistance.

Upon motion duly made by Mr. Kelly and seconded by Mr. VanLeesten, the following vote was adopted:

VOTED: To approve the Public Session Minutes of the meeting held on May 14, 2012, as submitted to the Commission.

Voting in favor of the foregoing were: Chairperson Kane, Dr. Bready, Ms. Hunger, Ms. Johnson, Mr. Kelly, Mr. Ryan and Mr. VanLeesten.

Voting against the foregoing were: None.

Upon motion duly made by Mr. VanLeesten and seconded by Mr. Kelly, the following vote was adopted:

VOTED: To approve the Closed Session Minutes of the meeting held on May 14, 2012, as submitted to the Commission.

Voting in favor of the foregoing were: Chairperson Kane, Dr. Bready, Ms. Hunger, Ms. Johnson, Mr. Kelly, Mr. Ryan, and Mr. VanLeesten.

Voting against the foregoing were: None.

2. DISCUSSION AND CONSIDERATION OF OBTAINING DIRECTORS AND OFFICERS LIABILITY INSURANCE

Mr. Ryan reported that, with the assistance of Babcock & Helliwell Insurance & Risk Management, the District is prepared to obtain the first level of insurance coverage and that they are continuing to seek out additional coverage. Chairperson Kane thanked Mr. Ryan for his work in this regard.

3. UPDATE REGARDING THE DEPARTMENT OF TRANSPORTATION ROAD CONSTRUCTION AND UTILITY MATTERS.

Chairperson Kane reported that the District continues to meet with Rhode Island Department of Transportation ("DOT") every two weeks and that Contract 14, which consists of the roadway construction and utility installation on the Westside, is estimated to begin in the fall. He stated Contract 15, consisting of the same type of work on the Eastside, is scheduled to begin in the spring or early summer of 2013. Chairperson Kane stated that they are working with DOT to examine storm water treatment opportunities and he reported that DOT and National Grid have agreed to relocate the utility vault located on a Westside parcel. With respect to Contract 16, which includes the bridge and open space design, he reported that the District is working with the City of Providence (the "City") and DOT to accelerate the construction of the bridge, which is scheduled to begin at approximately this time next year. Chairperson Kane noted that by the fall of 2013 all of the outstanding DOT contracts should be underway and by spring of 2015 real changes will become evident.

4. UPDATE REGARDING DEPARTMENT OF ENVIRONMENTAL MANAGEMENT AND COASTAL RESOURCES MANAGEMENT PERMITTING.

Chairperson Kane reported that representatives from Fuss & O'Neill, the District's engineering consultants, have been meeting with the Department of Environmental Management ("DEM") and the Coastal Resources Management Council ("CRMC") on a biweekly basis. He stated that DEM has conceptually endorsed a District-wide permitting approach for storm water management and treatment.

Chairperson Kane reported that similar discussions are occurring with CRMC regarding global permitting. He stated that Fuss & O'Neill and DEM are also addressing the environmental condition of the parcels. Chairperson Kane explained the DEM standards regarding testing for volatiles and other contaminants. He reported that DEM has preliminarily endorsed testing on all of the I-195 surplus parcels and creating a global strategy and presumptive remedy for the land, with exceptions for certain highly contaminated or "hot spot" parcels. Chairperson Kane stated that such global permitting and strategies will create greater predictability and reduce the time necessary to undertake diligence by potential purchasers or developers.

5. UPDATE REGARDING THE OPEN SPACE DESIGN.

Ms. Johnson reported that she and other members of the Commission have met with representatives of DOT, the City's planning department, and the landscape design firms regarding the open space design. She noted that the focus has been on simplifying the large Westside open space parcel that the District recently approved to include buildings to create a mixed use environment. Ms. Johnson reported that what is also being considered in that parcel is a "vertical element" that would connect the open space to the downtown. She showed an example of a large fountain in a Pittsburg park. Ms. Johnson stated that the working group will continue to review design options and different selection process options. Chairperson Kane commended Ms. Johnson and the representatives of the City's planning office for their work on the open space design, noting their facilitation and coordination of the landscape architect firms. He further reported that the Federal Highway Administration has approved the reduction in open space, as previously approved by the Commission, and he noted that there is still the potential for a second structure that could house public facilities on the large open space parcel on the Westside.

6. UPDATE REGARDING THE DISTRICT'S CURRENT AND PROSPECTIVE BUDGET AND THE BOND TRANSACTION.

Chairperson Kane discussed the District's expenses to date, including Fuss & O'Neill, miscellaneous expenses, and the upcoming purchase of directors and officers liability insurance. He noted that the legal fees for Partridge Snow & Hahn LLP would be paid out of the proceeds of the bond issuance. Chairperson Kane distributed a memorandum to the Commissioners which outlined the budget act approved by the House of Representatives Finance Committee pertaining to the District, which is still subject to Senate approval (See **Exhibit A**). He explained that, for fiscal year 2012, \$50,000 is allocated for general operations of the Commission. In fiscal year 2013, \$900,000 is allocated for general operations of the Commission, \$3,000,000 is allocated to cover the difference between the fair market value of the I-195 surplus land sold and the debt authorized by the General Assembly in 2011, less the value of the land to be sold to Johnson & Wales University, and \$250,000 of the Rhode Island Capital Plan Fund is appropriated for architectural and engineering services. Lastly, in fiscal year 2014, \$100,000 of the Rhode Island Capital Plan Fund is appropriated for the District for architectural and engineering services. Chairperson Kane explained that, instead of

modifying the legislation authorizing the bonds (which authorize up to \$42 million in bonds) to account for the appraised value of the land, the budget, if passed, provides a \$3,000,000 appropriation to the District to be used toward the purchase of the land. He noted that the I-195 surplus parcels have been appraised at \$39.4 million, not including the Johnson & Wales University designed parcels, which have been appraised and contracted for at \$3.6 million. Chairperson Kane stated that \$38.4 million is the anticipated bond placement amount, which includes the majority of the appraised purchase price for the I-195 surplus land, funds for capitalized expenditures, cost of issuance, repayment of the funds previously borrowed by the District from Rhode Island Economic Development Corporation ("EDC") and a reserve fund. However, he noted that the District will ask RIEDC to authorize the issuance of bonds in the maximum principal amount of \$42 million in the event that the Johnson & Wales University transaction does not ultimately close. Chairperson Kane noted that the District has been examining options regarding underwriters and investment banks with the assistance of EDC's financial advisor FirstSouthwest. He noted that, with the General Assembly budget allocations and the issuance of the bonds, the District should be well resourced for the next two fiscal years.

**7. DISCUSSION AND CONSIDERATION OF THE EXECUTIVE DIRECTOR
SELECTION PROCESS AND FINALIZATION OF THE JOB DESCRIPTION.**

The Commissioners discussed the draft job description for the Executive Director that had been edited by the Commission at the prior meeting and revised by Ms. Johnson and Mr. Kelly in interim. Chairperson Kane noted that he and Dr. Bready had begun looking into search firms and that Ms. Hunger had further thoughts to share in this regard. Ms. Hunger stated that she has continued to examine alternatives to engaging a search firm, including the potential for a subcommittee of Commissioners to undertake certain tasks with the assistance of a consultant, if necessary. She suggested using the Rhode Island Foundation's list of consultants as a resource. Ms. Hunger emphasized the cost of engaging a search firm to undertake the entire search process and she noted that it would not necessarily yield a better candidate. Dr. Bready noted the involvement of the Commission even if a search firm is engaged. The Commissioners discussed the difference in pricing and price structures between engaging a search firm versus hiring a consultant for discrete tasks. Chairperson Kane noted the need for administrative support throughout the process. He stated that an option could be putting a cap on the amount of fees the Commission would be willing to spend on the search process, whether for engagement of a search firm or a consultant.

The Commissioners agreed that seeing requests for proposals from search firms would be informative and that a decision could be reached from there depending on the pricing and scope of services proposed. Mr. Kelly stated his desire to have full Commission involvement in the hiring process, as opposed to delegation to a subcommittee and Chairperson Kane noted the need to identify a consultant or search firm that is the right fit for the Commission in this regard. Mr. Stolzman explained to the Commission the request for proposal process and noted that the Commission is not required to take the lowest responsive bidder. The Commissioners agreed to consider

this matter further at the June 25 Commission meeting, at which time Chairperson Kane and Dr. Bready would report back further regarding prospective search firms or consultants.

Upon motion duly made by Mr. Ryan and seconded by Mr. VanLeesten, the following vote was adopted:

VOTED: To approve the Executive Director job description as presented to the Commission (see **Exhibit B**).

Voting in favor of the foregoing were: Chairperson Kane, Dr. Bready, Ms. Hunger, Ms. Johnson, Mr. Kelly, Mr. Ryan, and Mr. VanLeesten.

Voting against the foregoing were: None.

8. CHAIRPERSON'S REPORT AND COMMISSION UPDATE.

With respect to maintenance of the I-195 surplus parcels, Chairperson Kane reported that DOT has cut the grass, but otherwise DOT has limited resources to maintain the land to any further extent. He noted the need to begin to evaluate the maintenance needs in anticipation of District ownership of the land. It was noted that the Downtown Improvement District has offered to prepare a budget for maintaining the I-195 surplus land for the District. Ms. Hunger suggested consideration of the Amos House for the land maintenance services. Mr. VanLeesten commended the suggestion and noted the superior work of Amos House contractors and the connection to the community that such an engagement could create. The Commission agreed to get a proposal from Amos House. Mr. Ryan stressed that the District is under no obligation to maintain the land to any extent until it is the owner of the land and he suggested that this could be an item for the Executive Director to undertake. He noted that the District may also choose to create and manage its own improvement district.

Ms. Hunger noted that, at a recent meeting with DOT, interim uses of the I-195 surplus land were discussed and that any interim use is a difficult due to the environmental status of certain parcels. She noted proposals, which included wild flower gardens, bees serving as pollinators, and a raised walkway, while noting potential complications associated with each. Dr. Bready suggested the possibility of considering University of Rhode Island or other research institutions using the parcels to study plants that achieve environmental remediation, noting that such a use would capitalize on the knowledge based economy that they are hoping to create in the District. Ms. Johnson noted that temporary "pop-up" art structures could also be an option. Chairperson Kane encouraged the ideas, while noting that the District does not have the current ability to manage either the land or the activities. He noted that no action would be taken in this regard this summer and that it could be an item addressed by the Executive Director in the future.

Chairperson Kane noted that, with funding more certain, the Commissioners should begin to consider best practices research in areas such as parking financing, public development, city planning and work force development. He noted that \$25,000 is budgeted for the next fiscal year for such research and he asked the Commissioners to give it further thought and bring back suggestions. Chairperson Kane also noted the need to consider and think through communications. He noted that the District has been working with Judy Chong, managing director of communications for EDC, and he noted upcoming events, such as DOT road construction groundbreaking the need to consider crafting a District message. Ms. Johnson further noted the need inform the public of the Commission's work and the collaboration between the District and the various state agencies. Mr. VanLeesten noted that communications are also important in managing expectations and demonstrating the realities of the planning process.

Chairperson Kane noted that with the engagement of dedicated counsel, Mr. Stolzman, the District should begin to consider items such as regulations and the District's permitting functions in cooperation with City agencies. Mr. Ryan stated that the District needed to first consider what criteria it will use in the disposition of the land. The Commissioners discussed whether sequencing planning or establishing disposition criteria should be established first. Mr. Azar noted the District's unique opportunity to simultaneously serve as the design, subdivision and zoning boards. Mr. Kelly noted the District's potential to serve as a model for other municipalities and the State in this regard and Dr. Bready stressed the need for the District to be predictable and streamline its processes. The Commission agreed to begin to both develop regulations and determine selling criteria.

9. ESTABLISHING AN AGENDA FOR THE NEXT COMMISSION MEETING.

The Commission discussed items to be addressed at the District's upcoming meetings on June 25 and July 9. It was noted the June 25 meeting would be held at Meeting Street.

There being no further business in Public Session, upon a motion by Ms. Johnson and seconded by Mr. VanLeesten the meeting was adjourned at 6:58 p.m.

David M. Gilden, Assistant Secretary